

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW MEXICO**

**IN RE THORNBURG MORTGAGE, INC.
SECURITIES LITIGATION**

Case No. CIV 07-815JB/WDS

THIS DOCUMENT RELATES TO:
ALL ACTIONS

PROOF OF CLAIM AND RELEASE FORM

I. GENERAL INSTRUCTIONS

A. To recover as a member of the Class based on your claim in the action entitled *In re Thornburg Mortgage, Inc. Securities Litigation*, Case No. CIV 07-815JB/WDS (the "Litigation"), you must complete this Proof of Claim and Release form ("Proof of Claim"). If you fail to submit a Proof of Claim by the submission deadline, your claim may be rejected and you may be precluded from any recovery from the Settlement Fund created in connection with the proposed settlement of the Litigation ("Settlement"), as set forth in the Stipulation and Agreement of Settlement ("Stipulation") dated March 28, 2012.

B. Submission of this Proof of Claim, however, does not ensure that you will share in the proceeds of the Settlement Fund created in this Litigation.

C. YOU MUST COMPLETE AND SUBMIT YOUR PROOF OF CLAIM VIA MAIL POSTMARKED ON OR BEFORE NOVEMBER 19, 2012, ADDRESSED TO THE CLAIMS ADMINISTRATOR AS FOLLOWS:

In re Thornburg Mortgage, Inc. Securities Litigation
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 3
Media, PA 19063

If you are NOT a member of the Class, as defined in the Notice of Pendency of Class Action, Proposed Settlement, Settlement Fairness Hearing and Motion for Attorneys' Fees and Expenses (the "Notice"), then DO NOT submit a Proof of Claim.

D. If you are a member of the Class, you are bound by the terms of any judgment entered in the Action, WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM.

II. INSTRUCTIONS FOR CLAIMANT IDENTIFICATION SCHEDULE

A. If you purchased or otherwise acquired Thornburg Mortgage, Inc. ("TMI") common stock and/or preferred stock in the open market and/or in or traceable to the Offerings during the period between April 19, 2007 and March 19, 2008, inclusive, and were damaged thereby (the "Class"), and held the stock in your name, you are the beneficial purchaser as well as the record purchaser. If, however, the stock was registered in the name of a third party, such as a nominee or brokerage firm, you are the beneficial purchaser and the third party is the record purchaser.

B. Use "Part I" of this form (below) entitled "Claimant Identification" to identify each owner of record ("nominee"), if different from the beneficial owner of the TMI common stock and/or preferred stock which form the basis of this claim. THIS CLAIM MUST BE FILED BY THE ACTUAL BENEFICIAL OWNER(S), OR THE LEGAL REPRESENTATIVE OF SUCH OWNER(S) OF THE TMI COMMON STOCK AND/OR PREFERRED STOCK UPON WHICH THIS CLAIM IS BASED.

C. All joint purchasers must sign this claim. Executors, administrators, guardians, conservators, and trustees must complete and sign this claim on behalf of persons or entities represented by them and their authority must accompany this claim and their titles or capacities must be stated. The Social Security (or taxpayer identification) number and telephone number of the beneficial owner may be used in verifying the claim. Failure to provide the foregoing information could delay verification of your claim or result in rejection of the claim.

III. INSTRUCTIONS FOR SCHEDULE OF TRANSACTIONS

A. In the space provided below, supply all required details of your transaction(s) in TMI common stock and TMI preferred stock. If you need more space, attach separate sheets giving all of the required information in substantially the same form. Sign and print or type your name on each additional sheet.

B. Please provide all of the requested information with respect to *all* of your purchases and acquisitions of TMI common stock and TMI preferred stock, regardless of whether such transactions resulted in a profit or a loss. Failure to report all such transactions may result in the rejection of your claim.

C. List each transaction separately and in chronological order by trade date, beginning with the earliest. You must accurately provide the month, day, and year of each transaction you list.

D. Broker confirmations or other documentation of your transactions in TMI common stock and TMI preferred stock should be attached to your claim. Failure to provide this documentation could delay verification of your claim or result in rejection of your claim.

E. The requests are designed to provide the minimum amount of information necessary to process the most simple claims. The Claims Administrator may request additional information as required to efficiently and reliably calculate your losses. In some cases where the Claims Administrator cannot perform the calculation accurately or at a reasonable cost to the Class with the information provided, the Claims Administrator may condition acceptance of the claim upon the production of additional information and/or the hiring of an accounting expert at the claimant's cost.

UNITED STATES DISTRICT COURT
DISTRICT OF NEW MEXICO

In re Thornburg Mortgage, Inc. Securities Litigation
Case No. CIV 07-815JB/WDS

PROOF OF CLAIM AND RELEASE

Must be Postmarked No Later Than: November 19, 2012

Please Type or Print

PART I: CLAIMANT IDENTIFICATION

Beneficial Owner's Name (First, Middle, Last)

[Grid for Beneficial Owner's Name]

Record Owner's Name (if different from beneficial owner listed above)

[Grid for Record Owner's Name]

Address

[Grid for Address]

City: [Grid] State: [Grid] Zip Code: [Grid] - [Grid]

Foreign Province and Postal Code: [Grid] Foreign Country: [Grid]

Social Security Number or Taxpayer Identification Number (if U.S. Citizen/Resident)

Social Security Number (for individuals)
[Grid] - [Grid] - [Grid]

Taxpayer Identification Number
(for estates, trusts, corporations, etc.)
[Grid] - [Grid]

Area Code Telephone No. (Day) Area Code Telephone No. (Night) Area Code Facsimile Number
[Grid] [Grid] - [Grid] [Grid] [Grid] - [Grid] [Grid] [Grid] - [Grid]

Email Address
[Grid]

Check One:
 Individual Corporation Joint Owners IRA Estate Other (specify) _____

PART II: SCHEDULE OF TRANSACTIONS IN TMI COMMON STOCK

A. **BEGINNING HOLDINGS:** At the opening of trading on April 19, 2007, I owned _____ shares of TMI common stock. (If none, write 0).

B. **PURCHASES AND ACQUISITIONS:** I made the following purchases/acquisitions of TMI common stock between April 19, 2007 and May 1, 2009, inclusive.¹ Check the box next to any purchase or acquisition that was made pursuant to one of the Offerings (*i.e.*, TMI's May 2007 offering, TMI's June 2007 offering, TMI's September 2007 offering and TMI's January 2008 offering). (Must be documented):

Check Box if result of one of TMI's Offerings	Trade Date(s) of Purchase(s)/ Acquisition(s) (List Chronologically) Month/Day/Year	Number of Shares of TMI Common Stock Purchased and/or Acquired	Purchase/Acquisition Price Per Share of TMI Common Stock	Aggregate Cost (excluding commissions, taxes and fees)
<input type="checkbox"/>	____/____/____	_____	\$____.____	\$____.____
<input type="checkbox"/>	____/____/____	_____	\$____.____	\$____.____
<input type="checkbox"/>	____/____/____	_____	\$____.____	\$____.____
<input type="checkbox"/>	____/____/____	_____	\$____.____	\$____.____
<input type="checkbox"/>	____/____/____	_____	\$____.____	\$____.____

C. **SALES:** I made the following sales of TMI common stock between April 19, 2007 and May 1, 2009, inclusive. (Must be documented):

Trade Date(s) of Sale(s) (List Chronologically) Month/Day/Year	Number of Shares of TMI Common Stock Sold	Sale Price Per Share of TMI Common Stock	Total Proceeds (excluding commissions, taxes and fees)
____/____/____	_____	\$____.____	\$____.____
____/____/____	_____	\$____.____	\$____.____
____/____/____	_____	\$____.____	\$____.____
____/____/____	_____	\$____.____	\$____.____
____/____/____	_____	\$____.____	\$____.____

D. **UNSOLD HOLDINGS:** At the close of trading on May 1, 2009, I still owned _____ shares of TMI common stock. (If none, write 0). (Must be documented).

YOU MUST READ THE RELEASE AND SIGN THE CERTIFICATION ON PAGE 20. FAILURE TO SIGN THE CERTIFICATION MAY RESULT IN A DELAY IN PROCESSING OR THE REJECTION OF YOUR CLAIM.

If you require additional space, attach extra schedules in the same format as above. Copies of broker's confirmations or other documentation evidencing your transactions in TMI common stock should be attached.

PART III: SCHEDULE OF TRANSACTIONS IN TMI PREFERRED STOCK

A. **BEGINNING HOLDINGS:** At the opening of trading on April 19, 2007, I owned the following amounts of TMI 8% Series C Cumulative Redeemable Preferred Stock ("Series C"); TMI Series D Adjusting Rate Cumulative Redeemable Preferred Stock ("Series D"); TMI 7.5% Series E Cumulative Convertible Redeemable Preferred Stock ("Series E"); and TMI 10% Series F Cumulative Convertible Redeemable Preferred Stock ("Series F"). Please write the number of shares you held of each type of Preferred Stock in the table below. (If none, write 0).

Series C	Series D	Series E	Series F
_____	_____	_____	_____

¹ **Please note:** Information requested with respect to your purchases/acquisitions of TMI common stock between March 20, 2008 and May 1, 2009, inclusive, is needed in order to balance your claim; purchases/acquisitions during this period, however, are not eligible to participate in the Settlement as these purchases/acquisitions are outside the Class Period (*i.e.*, the period between April 19, 2007 and March 19, 2008, inclusive) and will not be used for purposes of calculating your Recognized Loss(es) pursuant to the Plan of Allocation.

B. **PURCHASES AND ACQUISITIONS:** I made the following purchases/acquisitions of TMI preferred stock between April 19, 2007 and May 1, 2009, inclusive.² Check the box next to any purchase or acquisition that was made pursuant to one of the Offerings (*i.e.*, TMI's May 2007 offering, TMI's June 2007 offering, TMI's September 2007 offering and TMI's January 2008 offering). (Must be documented):

Check Box if result of one of TMI's Offerings	Type of Preferred Stock Purchased/Acquired (Series C, D, E or F)	Trade Date(s) of Purchase(s)/Acquisition(s) (List Chronologically) Month/Day/Year	Number of Shares of TMI Preferred Stock Purchased and/or Acquired	Purchase/Acquisition Price Per Share of TMI Preferred Stock	Aggregate Cost (excluding commissions, taxes and fees)
<input type="checkbox"/>	_____	□□/□□/□□	□□□□□□	\$ □□□.□□□□	\$ □□□□□□□□.□□
<input type="checkbox"/>	_____	□□/□□/□□	□□□□□□	\$ □□□.□□□□	\$ □□□□□□□□.□□
<input type="checkbox"/>	_____	□□/□□/□□	□□□□□□	\$ □□□.□□□□	\$ □□□□□□□□.□□
<input type="checkbox"/>	_____	□□/□□/□□	□□□□□□	\$ □□□.□□□□	\$ □□□□□□□□.□□
<input type="checkbox"/>	_____	□□/□□/□□	□□□□□□	\$ □□□.□□□□	\$ □□□□□□□□.□□

C. **SALES:** I made the following sales of TMI preferred stock between April 19, 2007 and May 1, 2009, inclusive. (Must be documented):

Trade Date(s) of Sale(s) (List Chronologically) Month/Day/Year	Number of Shares of TMI Preferred Stock Sold	Sale Price Per Share of TMI Preferred Stock	Total Proceeds (excluding commissions, taxes and fees)
□□/□□/□□	□□□□□□	\$ □□□.□□□□	\$ □□□□□□□□.□□
□□/□□/□□	□□□□□□	\$ □□□.□□□□	\$ □□□□□□□□.□□
□□/□□/□□	□□□□□□	\$ □□□.□□□□	\$ □□□□□□□□.□□
□□/□□/□□	□□□□□□	\$ □□□.□□□□	\$ □□□□□□□□.□□
□□/□□/□□	□□□□□□	\$ □□□.□□□□	\$ □□□□□□□□.□□

D. **UNSOLD HOLDINGS:** At the close of trading on May 1, 2009, I still owned the following amount of shares of TMI preferred stock. Please write the number of shares you held of each type of Preferred Stock in the table below. (If none, write 0).

Series C	Series D	Series E	Series F
_____	_____	_____	_____

YOU MUST READ THE RELEASE AND SIGN THE CERTIFICATION ON PAGE 20. FAILURE TO SIGN THE CERTIFICATION MAY RESULT IN A DELAY IN PROCESSING OR THE REJECTION OF YOUR CLAIM.

If you require additional space, attach extra schedules in the same format as above. Copies of broker's confirmations or other documentation evidencing your transactions in TMI preferred stock should be attached.

² **Please note:** Information requested with respect to your purchases/acquisitions of TMI preferred stock between March 20, 2008 and May 1, 2009, inclusive, is needed in order to balance your claim; purchases/acquisitions during this period, however, are not eligible to participate in the Settlement as these purchases/acquisitions are outside the Class Period (*i.e.*, the period between April 19, 2007 and March 19, 2008, inclusive) and will not be used for purposes of calculating your Recognized Loss(es) pursuant to the Plan of Allocation.

PART IV: SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGEMENTS

1. I (We) submit this Proof of Claim and Release under the terms of the Stipulation and Agreement of Settlement described in the Notice. I (We) also submit to the jurisdiction of the United States District Court for the District of New Mexico with respect to my (our) claim as a Class Member and for purposes of enforcing the release set forth herein and any judgment which may be entered in the Action. I (We) further acknowledge that I (we) am (are) bound by and subject to the terms of any judgment that may be entered in the Action.

2. I (We) agree to furnish additional information to the Claims Administrator to support this claim if required to do so.

PART V: DEFINITIONS AND RELEASE

1. I (We) hereby acknowledge full and complete satisfaction of, and do hereby fully, finally and forever settle, discharge and release all “Settled Claims” against all “Released Parties,” including “Unknown Claims,” as defined below.

(a) “Settled Claims” means any and all claims, debts, demands, liabilities, rights and causes of action of every nature and description whatsoever (including but not limited to any claims for damages, interest, attorneys’ fees, expert or consulting fees, and any other costs, expenses or liability whatsoever), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, whether class or individual in nature, including both known claims and Unknown Claims (as defined below), (i) that have been asserted in the Litigation by the Plaintiffs and/or Class Members or any of them against any of the Released Parties; or (ii) that could have been alleged, asserted or contended in any forum by Plaintiffs and/or Class Members or any of them, or the successors and assigns of any of them against the Released Parties which arise out of or are based upon the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Complaint (or any preceding complaints) and which relate to the purchase or acquisition of TMI common stock and/or preferred stock in the open market and/or in or traceable to the Offerings during the Class Period; provided, however, that Settled Claims do not include (i) any claims to enforce any of the terms of this Settlement, and any claims that could be asserted in response to such a claim to enforce or (ii) any claims against the Non-Settling Defendants.

(b) “Released Parties” means TMI, the Individual Defendants, the Dismissed Defendants, and any of their current or former, subsidiaries, affiliates, partners, joint ventures, officers, directors, principals, shareholders, members, agents (acting in their capacity as agents), employees, attorneys, insurers, including the Insurer, reinsurers, advisors, accountants, associates and/or any other individual or entity in which any of TMI, the Individual Defendants, or the Dismissed Defendants has a controlling interest or which is related to or affiliated with any of TMI, the Individual Defendants, or the Dismissed Defendants and the current or former legal representatives, heirs, successors in interest or assigns of any of TMI, the Individual Defendants, or the Dismissed Defendants; provided, however, that “Released Parties” does not include any of the Non-Settling Defendants, nor any of their respective parents, successors, subsidiaries, and affiliates and any entity in which any of them have or had a controlling interest and the officers and directors thereof.

(c) “Unknown Claims” means any and all Settled Claims which Plaintiffs and/or any member of the Class does not know or suspect to exist in his, her or its favor as of the Effective Date, which if known by him, her or it, might have affected his, her or its decision(s) with respect to the Settlement, and any Settled Defendants’ Claims which any Released Party does not know or suspect to exist in his, her or its favor as of the Effective Date, which if known by him, her or it might have affected his or its decision(s) with respect to the Settlement. With respect to any and all Settled Claims and Settled Defendants’ Claims, the Settling Parties stipulate and agree that upon the Effective Date, the Plaintiffs, the Individual Defendants, and Dismissed Defendants shall expressly waive, and each Class Member and Released Party shall be deemed to have waived and by operation of the Order and Final Judgment shall have expressly waived, any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable or equivalent to Cal. Civ. Code § 1542, which provides: “A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.” The Settling Parties acknowledge, and Class Members and Released Parties by operation of law shall be deemed to have acknowledged, that the inclusion of “Unknown Claims” in the definition of Settled Claims and Settled Defendants’ Class was separately bargained for and was a key element of the Settlement.

2. This release shall be of no force or effect unless and until the Court gives final approval to the Settlement and the Effective Date occurs.

PART VI: REPRESENTATIONS AND CERTIFICATION

1. I (We) hereby warrant and represent that I (we) have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, any matter released pursuant to this release or any other part or portion thereof.

2. I (We) hereby warrant and represent that I (we) have included information about all of my (our) purchases, acquisitions and sales transactions in TMI common stock and/or TMI preferred stock which occurred between April 19, 2007 and May 1, 2009, inclusive, as well as the number of shares of TMI common stock and/or TMI preferred stock held by me (us) at the opening of trading on April 19, 2007 and the close of trading on May 1, 2009.

3. I (We) certify that I am (we are) not subject to backup withholding under the provisions of Section 3406(a) (1) (c) of the Internal Revenue Code.

NOTE: If you have been notified by the Internal Revenue Service that you are subject to backup withholding, please strike out the language that you are not subject to backup withholding in the certification above.

I (We) declare under penalty of perjury under the laws of the State of New Mexico and the United States of America that the foregoing information supplied by the undersigned is true and correct and that this Proof of Claim and Release form was executed this _____ day of _____ in _____.
(month, year) (City, State, Country)

(Sign your name here)

(Sign your name here)

(Type or print your name here)

(Type or print your name here)

(Capacity of persons signing, e.g., Beneficial Purchaser, Executor or Administrator)

(Capacity of persons signing, e.g., Beneficial Purchaser, Executor or Administrator)

**ACCURATE CLAIMS PROCESSING
TAKES A SIGNIFICANT AMOUNT OF TIME
THANK YOU FOR YOUR PATIENCE**

Reminder Checklist

1. Please sign the Certification section of the Proof of Claim and Release on Page 20.
2. If this claim is being made on behalf of joint claimants, both must sign.
3. Remember to attach supporting documentation.
4. Do not send original stock certificates.
5. Keep a copy of your Proof of Claim and Release form and all documents submitted for your records.
6. If you desire an acknowledgment of receipt of your claim form, please send it Certified Mail, Return Receipt Requested.
7. If you move, please send the Claims Administrator your new address.

**These forms and your supporting documentation must be postmarked
no later than November 19, 2012.**

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In re Thornburg Mortgage, Inc. Securities Litigation
c/o Strategic Claims Services
600 North Jackson Street — Suite 3
Media, PA 19063

FIRST CLASS MAIL
U.S. POSTAGE
PAID
PERMIT NO. 138
PHILADELPHIA, PA

PLEASE FORWARD

FIRST CLASS MAIL

PLEASE FORWARD—IMPORTANT LEGAL NOTICE